

Nadler Eviscerates GOP Proposal for Balanced Budget Amendment

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WASHINGTON, D.C. - Today, Congressman Jerrold Nadler (D-NY), the top Democrat on the House Judiciary Subcommittee on the Constitution, voiced his strong opposition to GOP efforts to force through a balanced budget amendment to the Constitution. At a Constitution Subcommittee hearing on "Whether the Constitution Should be Amended to Address the Federal Deficit," Nadler warned of catastrophic consequences from such an amendment and advised Members to balance the budget by making hard choices and promoting growth.

Nadler reminded the Subcommittee that, "[u]nfortunately, thanks to President Bush and a Republican Congress, we managed to turn record surpluses into record deficits in record time."

"My Republican friends love constitutional amendments," said Nadler. "For any complaint, there is a constitutional amendment. It is not, however, a free vote. If adopted, this proposed amendment would have catastrophic consequences for the nation, for the economy, and for the future. While it would be nice to have some easy way to force a balanced budget, the world doesn't work that way...Let's manage the budget the old fashioned way; by making hard choices, by promoting growth, by making everyone pay their fair share of taxes, including billionaires and oil companies."

The following is the text of Nadler's statement, as prepared:

"Mr. Chairman, here we go again. If you can't balance the budget, and you can't face your constituents after having voted for a truly draconian budget, why not vote on a constitutional amendment instead? That way, you can vote for the idea of a balanced budget without having to make any hard choices. Not a bad deal.

"Of course, we've all been down this road before. My Republican friends love constitutional amendments. For any complaint, there is a constitutional amendment. It is not, however, a free vote. If adopted, this proposed amendment would have catastrophic consequences for the nation, for the economy, and for the future. While it would be nice to have some easy way to force a balanced budget, the world doesn't work that way.

"We know how to balance the budget, because we've done it before. In the not-too-distant-past, we managed not only to balance the budget, but to run surpluses and begin paying down the debt. That's what you do in good times, you pay down the debt.

"Unfortunately, thanks to President Bush and a Republican Congress, we managed to turn record surpluses into record deficits in record time.

"How did we do it?

"There were the huge tax cuts for the very wealthy. Then there were the two wars fought off-budget. I don't recall hearing a peep from any of my colleagues on the other side who are now born-again fiscal conservatives. In fact, Vice President Cheney said, "[w]e've learned that deficits don't matter." That summed up the Republican attitude during the Bush Administration. Having the regulators go to sleep while financial manipulators, banks and hedge funds crashed the economy killed off revenues and we still haven't recovered from that.

"But rather than admit to serious economic mismanagement, and looking for ways to straighten things out, we get this dusted off quack cure from the past. I guess it is easier to vote for something like this than to have to endure another town hall where angry constituents want to know why you voted to destroy Medicare.

"Strangest of all, the amendment calls for balancing the budget by 2016, even though the Republican budget the House recently passed doesn't project a balanced budget until 2040.

"The amendment would require a three-fifths vote by Congress to exceed a balanced budget. That should lead to some really history-making horse trading. Can you imagine what the holdouts will get in exchange for passing the budget? It will make anything we do now look like child's play.

"Really troubling is the proposal to require a three-fifths vote to raise the debt limit. Do the sponsors really want to reduce U.S. Treasury notes to junk bond status? Do you think anyone will buy our paper if this becomes law? I wouldn't.

"The amendment also treats military engagements as the only true emergencies requiring the budget to be out of balance. That shows a poor understanding of history and of economics.

"Did Herbert Hoover win the last election? If, in the middle of a recession, when tax revenues are down, and unemployment is up, we begin to slash the budget in ways my Republican colleagues are now suggesting, much less the far more draconian measures that this amendment would require, we will go from the Great Recession, right into another Great Depression. It's been tried before, and if we want the Constitution to enshrine Hooverism for all time, we will get what we deserve.

"Let's manage the budget the old fashioned way; by making hard choices, by promoting growth, by making everyone pay their fair share of taxes, including billionaires and oil companies. It isn't fun, and it won't make us a lot of friends, but we've done it before, and we can do it again. It only requires the courage of your own convictions, to face the voters with the actual budget you are proposing.

"And I know how hard those town halls can be. I've held many of them myself, but that's the job. Let's get down to business and quit fooling around."

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